

Golden Band



RESOURCES INC

Community Consultations

Stanley Mission

Friday July 18, 2008

12:00 noon

Golden Band Resources Inc:

- Gary Haywood, Vice-President, Operations & COO
- Richard Snider, Environment, Health & Safety Manager

Kitsaki Management L.P.:

- Russell Roberts, CEO

SRK Consulting:

- Don Hovdebo, Principal Consultant

Recorder:

- Gill Gracie, Aurora Communications Ltd.

Public: 13, plus 11 Junior Rangers.

Introductions: Gary Haywood

Sask. Ministry of Environment Presentation: Don Hovdebo on behalf of Malcolm Ross

PowerPoint Presentation

Golden Band Presentation: Gary Haywood/Richard Snider.

PowerPoint Presentation with handout.

Questions/Comments

About the Tailings Management Facility – you mentioned that Mallard Lake was designated as a tailings pond. Then you said that downstream fish were tested and showed higher levels of mercury. How is the water getting out?

R. Snider: The issue was that when the Decade mine tailings were placed in there, it was not a TMF. The tailings were placed in what's now Cell C which was near the outlet of

the lake so some of those tailings might have gone downstream. Mallard was a lake, with a creek connecting it to Yew Lake, the closest lake. Historically, and in our testing, it shows elevated levels of mercury in the fish in Yew Lake. That's because there wasn't that containment. If there had been a control structure, it would not have allowed the contaminants to get out. Any fish in Mallard, our recommendation (we'll have to work with the regulatory agency) is that those fish be destroyed rather than relocated.

Regarding your conceptual decommissioning plan, what happen with the tailings pond?

R. Snider: Our present plan will be to maintain the water cover; we will also look at a soil cover. We will make sure the water quality is acceptable and there is no concern with contamination for fish in that facility. The reason for the water cover is to keep that acid-generating tailings isolated. If we use this facility in the future, after the four-year project, we will modify our decommissioning plan.

D. Hovdebo: if you're interested in the quality of water you can get on top of decommissioned tailings, Contact Lake has been done now and the annual reports from there show how quickly the water cleans up after you stop operations. That's right in the same area. The annual reports from that are available from Cameco, and there are probably some in the community. You can go back and look at how it works.

R. Snider: We have been monitoring the water quality at various locations (*indicated on map*) – it's not meeting Saskatchewan Surface Water Quality Objectives but it's not bad right now.

Are there any plans for managing wildlife on the tailings pond – I heard that news item about where ducks landed on a tailings pond.

R. Snider: I don't think we have the same challenges, although we could during operations. If we do find wildlife in there we may have to look at some deterrent, like cannons.

D. Hovdebo: Historically, at Saskatchewan mine sites we have lost some migratory ducks on tailings with cyanide. They actually landed on the tailings area and it's high cyanide. They put up tin plates on wires over the tailings areas. They spin in the wind like a kid's toy and that kept everything away. Something very simple like that. You have enough noise and activity that generally the larger stuff stays away. Animals are smarter than we are; they stay away from stinky water; they are not going to drink tailings water when there are a number of unimpacted lakes close by. It's very easy to address.

R. Snider: We did see signs of caribou near a site, so we are developing a caribou management plan.

What kind of timeline are you looking at, say for the Jolu mill?

G. Haywood: Over next six months we'll be going through the permitting process. We hope to do some refurbishing this year and more next summer. Indications are for production by August –September next year. It's a little hard to predict because of the uncertain timelines for the assessment process. The other issue is funding for the project – we have to raise around \$30 million to upgrade the mill and do our pre-production work.

R. Roberts: This is our sixth meeting this week. It's a really detailed overview of exactly what this project's going to be about. Even though I've seen the presentation four times, there are still some things that are fairly complex but it's necessary to get all the information out there. We appreciate the in-depth analysis of this project. Gary has done a very good job of explaining what the MOU was about with the band, and what our General Services Agreement was with Kitsaki-Procon.

We did those few projects; we helped clean up the mill so we could take a look and assess it. Then we did the underground exploration project for them. Everything went fairly well, and we anticipate that our business relationship with Golden Band will continue and we're eager to get things started.

We had a bit of a glitch because of this environmental issue – we were expecting to get started a lot earlier. Unfortunately that's the way things go with the regulatory process; we don't necessarily have a lot of control when it comes to that. But even though we've experienced some setbacks, we expect this project will continue. There are some challenges to meet, but we're looking forward to next year and to getting some gold produced, whether it's next fall or even as late as the spring of 2010.

Golden Band has been very cooperative and very much committed to involving the Lac la Ronge Indian Band right from the beginning. I see this project as an opportunity to present something that could be used as a model for other First Nations or for anybody else doing development. It's exciting to think that the Band would be involved at the stage where we could be involved in significant business development.

We are going to sign a participation agreement that we're currently negotiating with Golden Band; it will talk about traditional users, what is the impact on the communities, what are the benefits from an economic development perspective. It's going to be a fairly detailed process. I haven't seen any other examples out there where a band would be involved in the training and development right from the very beginning.

Potentially, depending on how things are negotiated with the General Services Agreement, it could be one of the first times an Indian band will be doing the mining, the milling, the trucking, milling, the catering, the road work, the environmental services – that's pretty substantial. Just the way the negotiations and the consultations happened, we'd like to think that 10 years from now or even sooner, we'll be doing presentations in front of large groups of people, saying this is the way development should be done, where a First Nation is going to be directly involved. We've been very happy to work with officials of Golden Band. We will continue on the path to production and we hope that's going to happen soon.

If you have questions regarding the presentation, the technical part of it or even business – what are the jobs, what are the salary ranges, who will be hiring, how is Kitsaki going to be involved, is there opportunity for subcontractors in the communities – just give me a call and we can chat or I can come and do another presentation.

Once the mill starts operating – what's going to happen if I can't get in there for spring and fall trapping?

G. Haywood: You're concerned about where the gate is? I think the gate will disappear. ***It's not just the gate – just me going over there to get fall or spring beaver.***

G. Haywood: We will likely limit access where the Star Lake road turns off from the Jolu road. If a trapper is affected we will have a special agreement where he can get

access to the site. We'll do that on an individual basis. Your immediate concern about the gate, that is likely going to disappear once we're in operations. At the moment, the Ministry of Environment doesn't want people going in there.

Would it be feasible to compensate trappers that are affected in that area?

G. Haywood: We will talk to individual trappers who are affected. I don't know what the form of compensation will be at this stage, but we'd like to sit down and come to an agreement. We'll do that on an individual basis. We recognize there are traditional land users affected by the operation. It will require a balanced approach.

Once exploration companies start pushing roads into the traplines, it's easy pickings for poachers to go in there, especially in summertime with ATVs. Once you wipe out the beaver population they don't come back for maybe 15 years. Sometimes we rely on those resources for our families. Not all of us have full-time jobs. The mine is right in the centre of my trapline, and it's easy to access by that road.

G. Haywood: It's important for us to understand who the trappers are, so we can try to keep an eye on what's going on. There's a lot of land out there and I understand it is difficult.

Have any of the exploration trails been bermed off, or is it all left wide open?

G. Haywood: We're active at all our exploration sites, and none have really been decommissioned to date. We generally focus around the Bingo and Jolu sites. The biggest exploration area is probably in the Waddy Lake area and the Tower Lake area. We did some drilling on the east side of Waddy Lake. We don't tend to do too much exploration around Tower Lake any more; it's more 10-15 km south of that in an area called Birch Crossing. *(Indicated areas on a map)*. We have also been prospecting.

D. Hovdebo: The closing of trails after a project is finished is required by Saskatchewan Environment, so if you know of some that haven't been, you should inform Saskatchewan Environment either through your local conservation officer or directly. One of the reasons they want them closed after the program is done, is so that people can't use them.